

## Message Text

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ACTION TRSE-00

INFO OCT-01 EUR-12 IO-10 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 EB-07 FRB-01 H-01 INR-07

INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-01 RSC-01 AID-05

CIEP-01 SS-15 STR-01 TAR-01 USIA-06 PRS-01 SP-02

OMB-01 /097 W

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R 091800Z JAN 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 7133

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

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DEPARTMENT PASS TREASURY AND STR

E.O. 11652: N/A

TAGS: EFIN, UK

SUBJECT: GATT PANELS ON DISC AND OTHER TAX PRACTICES

REF: STATE 279433; LONDON 16848

1. JOHN CHOWN HAS SENT FINANCIAL ATTACHE FOLLOWING  
LETTER.

FOLLOWING OUR CONVERSATION WHEN I WAS IN SWITZERLAND,  
I HAVE CHECKED AND FIND THAT I HAVE NOT, AFTER ALL,  
WRITTEN A DETAILED CRITICISM OF DISC. IN 1973 I DID  
HAVE SOME TEXT ON AMERICAN LEGISLATION, BUT THIS  
WAS MAINLY DIRECTED AGAINST THE DEFUNCT BURKE-HARTKE BILL.

I ENCLOSE A MANUSCRIPT OF AN ARTICLE I WROTE FOR THE  
"FINANCIAL TIMES." THIS IS THE ORIGINAL VERSION,  
BUT YOU WILL SEE THAT SUBSTANTIAL DELETIONS WERE MADE  
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PRIOR TO PUBLICATION. I ALSO ENCLOSE COPIES OF A

SERIES OF EXTRACTS FROM THE "FINANCIAL TIMES" TAX  
NEWSLETTER ON SUBJECTS WHICH MAY BE RELEVANT.  
THERE IS SOME MENTION OF DISC BUT THESE ARE ON THE  
FACTUAL LEVEL.

AS YOU POSSIBLY KNOW, MY GENERAL VIEWPOINT IS THAT  
RESTRICTIONS TO TRADE (AND TO INTERNATIONAL INVEST-  
MENT) SHOULD BE REMOVED UNLESS A STRONG POSITIVE  
CASE CAN BE MADE FOR RETAINING IT. AS AN ECONOMIST  
I AM WELL AWARE OF THE DANGERS OF AN OVER-SIMPLIFIED  
FREE TRADE APPROACH. IN MY ARTICLES I TRIED TO DRAW  
ATTENTION TO THE POSSIBLE RESTRICTIVE EFFECTS (IN-  
TENTIONAL OR OTHERWISE) OF LEGISLATION. IF YOU ARE  
NOT SATISFIED BY MY ASSURANCE THAT I DO NOT THINK  
ABOUT THE AMERICANS FOR ATTACK, I WILL SEND YOU SOME  
OF THE THINGS I HAVE WRITTEN ABOUT LEGISLATION INTRO-  
DUCED BY OTHER GOVERNMENTS, INCLUDING MY OWN. I AM  
NOW BACK IN LONDON IF YOU HAVE ANY FURTHER QUERIES.

2. ENCLOSURES TO CHOWN LETTER BEING SENT TO ALAN WOLFE,  
GENERAL COUNSEL, STR. REQUEST MR. WOLFE MAKE ADDITIONAL  
DISTRIBUTION TO OTHER WASHINGTON AGENCIES CONCERNED.

3. ACTION REQUESTED: IN VIEW OF CONSIDERABLE EFFORTS TO  
CONTACT BOTH CHOWN AND PREST DURING HOLIDAY SEASON, WE  
WOULD APPRECIATE RESPONSE TO THEIR REQUESTS FOR ADDITIONAL  
INFORMATION (REFTEL) ON DETAILS TIMING, COMPENSATION AND  
LIKELIHOOD OF THEIR BEING ASKED TO SERVE AS EXPERTS AS  
SOON AS THERE IS ANYTHING THAT CAN BE PASSED ON TO THEM,  
WITH INTERIM RESPONSE IF MORE DEFINITIVE ANSWERS WILL BE  
DELAYED.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, PERSONAL OPINION, TAXES, STRATEGIC TRADE CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LONDON00364  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750009-0570  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750166/aaaacfxl.tel  
**Line Count:** 94  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 279433, 75 LONDON 16848  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 APR 2003 by MartinML>; APPROVED <17 APR 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GATT PANELS ON DISC AND OTHER TAX PRACTICES  
**TAGS:** EFIN, UK, US, GATT, DISC, FINANCIAL TIMES, (CHOWN, JOHN)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006